



DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Office of Audit Services  
1100 Commerce, Room 6B6  
Dallas, TX 75242

Common Identification Number: A-06-01-00065

September 21, 2001

Ms. Sue M. Perry  
Director  
Division of Family and Children's Services  
Mississippi Department of Human Services  
Post Office Box 352  
Jackson, Mississippi 39205

Dear Ms. Perry:

Enclosed are two copies of the U. S. Department of Health and Human Services (HHS), Office of Inspector General (OIG), Office of Audit Services' (OAS) report entitled "Review of Mississippi's Participation in Title IV-B, Subpart 2 of the Social Security Act, Promoting Safe and Stable Families for Fiscal Years 1994 through 1999." Your complete response to our draft report is included as an attachment to this report. Should you have any questions or comments concerning the matters commented on in this report, please direct them to the HHS official named below.

In accordance with the principles of the Freedom of Information Act, (5 U.S.C. 552, as amended by Public Law 104-231), OIG, OAS reports issued to the Department's grantees and contractors are made available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act which the Department chooses to exercise. (See 45 CFR Part 5.)

To facilitate identification, please refer to Common Identification Number A-06-01-00065 in all correspondence relating to this report.

Sincerely yours,

Gordon L. Sato  
Regional Inspector General  
for Audit Services

Enclosure- as stated

Direct Reply to HHS Action Official:  
Mike Hill, Director  
Division of Financial Integrity  
Room 702, Aerospace Building  
370 L'Enfant Promenade S.W.  
Washington, D.C. 20447

**Department of Health and Human Services**

**OFFICE OF  
INSPECTOR GENERAL**

**REVIEW OF MISSISSIPPI'S  
PARTICIPATION IN TITLE IV-B,  
Subpart 2 OF THE  
SOCIAL SECURITY ACT,  
PROMOTING SAFE AND STABLE  
FAMILIES FOR  
FISCAL YEARS 1994 THROUGH 1999**



**SEPTEMBER 2001  
A-06-01-00065**

# ***Office of Inspector General***

<http://www.hhs.gov/oig/>

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The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services (HHS) programs, as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by the following operating components:

## ***Office of Audit Services***

The OIG's Office of Audit Services (OAS) provides all auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations in order to reduce waste, abuse, and mismanagement and to promote economy and efficiency throughout the Department.

## ***Office of Evaluation and Inspections***

The OIG's Office of Evaluation and Inspections (OEI) conducts short-term management and program evaluations (called inspections) that focus on issues of concern to the Department, the Congress, and the public. The findings and recommendations contained in the inspections reports generate rapid, accurate, and up-to-date information on the efficiency, vulnerability, and effectiveness of departmental programs.

## ***Office of Investigations***

The OIG's Office of Investigations (OI) conducts criminal, civil, and administrative investigations of allegations of wrongdoing in HHS programs or to HHS beneficiaries and of unjust enrichment by providers. The investigative efforts of OI lead to criminal convictions, administrative sanctions, or civil monetary penalties. The OI also oversees State Medicaid fraud control units, which investigate and prosecute fraud and patient abuse in the Medicaid program.

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The Office of Counsel to the Inspector General (OCIG) provides general legal services to OIG, rendering advice and opinions on HHS programs and operations and providing all legal support in OIG's internal operations. The OCIG imposes program exclusions and civil monetary penalties on health care providers and litigates those actions within the Department. The OCIG also represents OIG in the global settlement of cases arising under the Civil False Claims Act, develops and monitors corporate integrity agreements, develops model compliance plans, renders advisory opinions on OIG sanctions to the health care community, and issues fraud alerts and other industry guidance.

**Department of Health and Human Services**

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**SEPTEMBER 2001  
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## *Notices*

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### **THIS REPORT IS AVAILABLE TO THE PUBLIC**

**at <http://www.hhs.gov/oig>**

In accordance with the principles of the Freedom of Information Act, 5 U.S.C. 552, as amended by Public Law 104-231, Office of Inspector General, Office of Audit Services, reports are made available to members of the public to the extent information contained therein is not subject to exemptions in the Act. (See 45 CFR Part 5.)

### **OAS FINDINGS AND OPINIONS**

The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed as well as other conclusions and recommendations in the report represent the findings and opinions of the HHS/OIG/OAS. Final determination on these matters will be made by authorized officials of the HHS divisions.



## DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Office of Audit Services  
1100 Commerce, Room 6B6  
Dallas, TX 75242

September 21, 2001

Ms. Sue M. Perry  
Director  
Division of Family and Children's Services  
Mississippi Department of Human Services  
Post Office Box 352  
Jackson, Mississippi 39205

Dear Ms. Perry:

This report provides you with the results of our review of Mississippi's Division of Family and Children's Services' (DFCS) participation in Title IV-B, Subpart 2 Promoting Safe and Stable Families Program in fiscal years (FY) 1994 through 1999. The review was part of an on-going nationwide review being conducted by the Office of Audit Services. The objectives of our review were to determine: (1) the reasons why DFCS did not use all Federal funds for the Promoting Safe and Stable Families Program and (2) if DFCS met its cost sharing requirements.

The DFCS did not use \$6,189,400 in grant awards from FYs 1994 through 1999 because State funds were not available for matching. However, based on the information provided by DFCS officials, we determined that DFCS met its 25 percent State cost match requirement for the Federal funds it expended during FYs 1994 through 1999.

In its response to our draft report, DFCS concurred in general with the results, validity and reasonableness of the facts presented. See Appendix I for a complete copy of the response.

The results of this review will be incorporated in our consolidated nationwide report addressed to the Administration for Children and Families (ACF).

### **Background**

Beginning in FY 1994, ACF began issuing grants for two components, Family Preservation and Family Support Services, to State child welfare agencies and Indian tribes to promote family strength and stability, enhance parental functioning and protect children. States were required to expend a significant portion of the grant on each component. In 1997, Family Preservation and Family Support Services under Title IV-B, Subpart 2 was renamed Promoting Safe and Stable Families. The new program provides funding for four separate service components: (1) preventative family preservation services; (2) time-limited reunification services; (3) adoption promotion and support services; and (4) community-based family support services for families at risk or in crisis. States now were required to expend at least 20 percent of the grant award on each of the 4 components.

Federal Financial Participation in program costs is 75 percent and States must provide a 25 percent cost match. Funding for the Promoting Safe and Stable Families Program was \$305 million in FY 2001, and is proposed to increase by \$200 million to \$505 million for FY 2002.

### **Objectives, Scope, and Methodology**

The objectives of our review were to determine why DFCS did not use all Federal funds for the Promoting Safe and Stable Families Program and if DFCS satisfied its matching requirements. Our review was conducted in accordance with generally accepted government auditing standards. As part of our review, we obtained an understanding of the internal control structure relative to the compilation of the amounts DFCS reported to ACF on the Standard Form (SF) 269 reports. However, the objectives of this review did not require an assessment of these internal controls.

To accomplish our review objectives we:

- verified the mathematical accuracy of the SF 269 reports that DFCS submitted to ACF for FYs 1994 through 1999;
- reviewed support for the financial information claimed on DFCS's SF 269s reported as Federal outlays and State cost match for FYs 1994 through 1999; and
- interviewed DFCS officials to determine why DFCS had unobligated Federal funds from FYs 1994 through 1999.

We obtained and reviewed the financial status reports for the Promoting Safe and Stable Families Program submitted by all the States for FYs 1994 through 1999. These reports showed that 11 States, including Mississippi, either reported over \$1 million of unobligated Federal funds or did not meet the required cost match. We selected Mississippi because the State reported unobligated Federal funds totaling \$6,189,400 for FYs 1994 through 1999.

We conducted our field work at the Mississippi Division of Family and Children's Services in May 2001.

### **Results of Review**

#### **Federal Grants Review**

Our review disclosed that the DFCS reported unobligated Title IV-B, Subpart 2 grant funds totaling \$6,189,400 for FYs 1994 through 1999. The DFCS officials stated that they were unable to expend all of the Federal funds during those FYs because of the lack of general fund dollars being appropriated by the legislature to use as matching funds.

Mississippi originally funded eight Family First Resource Centers in seven Mississippi Department of Human Services' (MDHS) regions. During the State FY ending June 30, 2000, four additional resource centers were developed in two additional regions. The on-going issue for MDHS is funding that will allow the continued expansion of new centers and maintenance of the existing centers. The MDHS is working with the original centers to become self-sufficient by working with community groups to develop local ownership and support as well as taking advantage of other funding sources that might be available. The DFCS is currently attempting to obtain increased in-kind matching funds from the resource centers and from other State funds.

#### **State Cost Match**

The State cost match requirement comes from two different sources. The State either uses general funds appropriated for the Promoting Safe and Stable Families Program or it uses other State funds from subcontracts with counties or municipalities. Based on the information provided by DFCS officials, we determined that DFCS met its 25 percent State cost match requirement for the Federal funds it expended during FYs 1994 through 1999.

#### **Recommendation**

None.

#### **Auditee Comments**

In its response to our draft report, DFCS concurred in general with the results, validity and reasonableness of the facts presented. See Appendix for a complete copy of the response.

Sincerely,



GORDON L. SATO  
Regional Inspector General  
for Audit Services





**STATE OF MISSISSIPPI**  
DAVID RONALD MUSGROVE, GOVERNOR  
**DEPARTMENT OF HUMAN SERVICES**  
JANICE BROOME BROOKS  
EXECUTIVE DIRECTOR

September 12, 2001

Gordon L. Sato  
Regional Inspector General for Audit Services  
Department of Health and Human Services  
Office of Inspector General  
1100 Commerce, Room 6B6  
Dallas, TX 75242

Dear Mr. Sato:

I am in receipt of your September 6, 2001, draft report entitled "Review of Mississippi's Participation in Title IV-B, Subpart 2 of the Social Security Act, Promoting Safe and Stable Families." The Mississippi Department of Human Services, Division of Family and Children's Services is in full agreement with the findings of the report and has no other comments to make regarding the same.

We do very much appreciate the Auditors. They were professional, courteous and extremely helpful to the State.

Most sincerely,

A handwritten signature in cursive script that reads "Sue M. Perry".

Sue M. Perry, LMSW, Director  
Division of Family and Children's Services

SMP:jm